

What is a charter school?

Charter schools are independent, public schools with rigorous curriculum programs and unique educational approaches. In exchange for operational freedom and flexibility, charter schools are subject to higher levels of accountability than traditional public schools. Free to ALL students, charter schools offer quality and choice within the public education system.

Why were charter schools established?

It is the intent of the California Legislature, in enacting Ed. Code §47600, to provide opportunities for teachers, parents, pupils, and community members to establish and maintain schools that operate independently from the existing school district structure, as a method to accomplish the following:

- Improve pupil learning.
- Increase learning opportunities for all pupils, with special emphasis on expanded learning experiences for pupils who are identified as academically low achieving.
- Encourage the use of different and innovative teaching methods.
- Create new professional and leadership opportunities for teachers
- Provide parents and pupils expanded public school choices in the types of educational opportunities that are available.
- Hold independent charter schools accountable to measurable pupil outcomes, and provide schools with a method to change from rule-based to performance-based accountability systems.
- Provide vigorous competition within the public school system to stimulate continual improvements in all public schools.

What are the benefits of converting to a charter school?

A conversion charter school is a public school operated independently of the local school district under an approved charter petition granted by a chartering authority, usually a school district. The charter petition details the school's education program, goals, finances, governance structure and other features.

Choosing to convert to a charter school is a decision to collectively embrace autonomy and accountability. In exchange for improved student achievement, continuous improvement, and additional accountability, conversion provides increased flexibility in the areas of curriculum and instruction, operations, governance and finance. The specific benefits of a conversion charter school, include:

- Parents, students, teachers and other stakeholders have an active voice in school governance.
- School leaders develop a robust professional development program, increase teacher support and effectiveness and make informed personnel decisions.
- Budgetary decisions are made at the school, potentially increasing the amount dollars reaching the school and classroom, which allows resources to be aligned with programmatic mission, vision and objectives.
- Teachers and staff have the freedom to develop and implement innovative instructional programs that meet the needs of all students.
- Board of Directors has the ability to make mission critical decisions at the school site level.

What funding is available? How does funding work? Will conversion funding amounts be different?

Charter schools receive money on a per-pupil basis from the state and federal governments either as a direct funded school or routed through their chartering authority as a locally funded school. The charter school funding model is primarily comprised of block grant sources and also includes funding via additional sources.

There are two block grant funding sources. The **General Purpose Block Grant** is based on the state's

average district revenue limit by grade level. All charters receive the same rate per grade level, and the rate does not consider variances in costs of living or revenue limit from district to district. The **Categorical Block Grant** covers over 25 state funded programs, is provided “in lieu” of participation in specific programs, and does not require a separate application. Funding allocation for both of the block grants is based on “Average Daily Attendance” (ADA). Both General Purpose and Categorical Block Grant funds can be used by charter schools as unrestricted funds.

The chart below illustrates estimated funding rates for the 2010-2011 school year.

2010-2011 Final Budget Estimate, Block Grant Rates				
Grades	K-3	4-6	7-8	9-12
General Purpose Block Grant	\$5030	\$5106	\$5272	\$6119
Categorical Block Grant	\$400	\$400	\$400	\$400
Total Estimate for 2010-2011	\$5430	\$5506	\$5672	\$6519
Economic Impact Aid (per eligible pupil)	\$318	\$318	\$318	\$318
Categorical Block Grant Supplemental (schools opened after 2008)	\$127	\$127	\$127	\$127

* Rates are estimates and subject to change.

When eligibility requirements are met, additional funding can come from state programs not included in the Categorical Block Grant, as well as Federal Programs such as Title I. There are charter-specific funding sources that are not available to standard public schools, including the Public Charter School Grant Program, which provides \$250,000 for the planning and implementation of charter schools and is administered by the California Department of Education. Charter schools may also rely on independent fundraising, grants, and community sponsors for additional funds.

Conversion: Financial Considerations

When considering the conversion of an existing district school into a charter school, it is important to understand factors that determine the financial viability of a conversion. Charter school revenue is predictable, as it is based on block grant rates and eligibility for certain programs with pre-established criteria and is allocated based on ADA. While revenue is predictable, expenses vary greatly from school to school. Key factors that impact expenses include the number of certificated and classified personnel, the cost of salaries and benefits, programmatic costs and business expenses. For schools considering conversion, it is important to spend time on developing a full, three to five year budget to provide the complete financial picture necessary to make informed decisions.

In order to ascertain the economic viability of the conversion, the projected conversion budget should be compared against the funding rates for the particular district where the school is located, as it could be slightly higher or lower depending on a number of factors. If possible, a comparative analysis should be done on the charter funding model and the district funding model to illustrate the resources available to the school under each model and the programmatic impact of each.

Direct Funded vs. Locally Funded

One key decision is to determine whether the charter conversion will be directly funded or locally funded. Direct funded charter schools receive their funding directly through the County Treasury Account. Locally funded charters are funded through their district’s account. There are pros and cons to each approach. Direct funded schools have complete control over their finances and receive their funding immediately. They may apply for additional categorical funding, grants, etc. and they can develop their own LEA Plans and programs. Direct funded charters are not dependent upon their district to disburse funds. Categorical funding such as Economic Impact Aid or Title I monies belong to the school to distribute, not to the district to apportion among its various schools and programs. Direct funded charter schools have greater control of resources.

On the other hand, direct funded schools have the often onerous task of meeting all of the state’s compliance requirements, filling out time consuming paperwork, filing all the required forms and

managing their own accounting, bookkeeping and payroll systems (or contracting out for services). Locally funded charters may not have the control that direct funded charters have, but they don't face the bureaucratic hurdles either. Many charters are founded by educators who want to concentrate on the educational program and prefer to have districts handle the non-education aspects of running a school. Schools need fiscal expertise, either on staff or through contractual arrangements, before considering the direct funding route.

Can we continue to offer transportation to those students that live outside of our community?

Typically, charter schools describe the types of services they will provide students in their charter petition. Generally, many charter schools do not provide transportation to a majority of their students. Bussing students is not an explicit requirement for schools converting into a charter. However, there might be statutory requirements requiring transportation in certain situations. Some students that the school may be required to provide with transportation include: homeless students under the McKinney-Vento Act, students with an Individualized Education Plan for Special Education services and opportunity transfers under the public school choice provisions of NCLB. School districts often have court-ordered desegregation plans, which include bussing students from one attendance area to another. If the school converts to a charter school, these plans may have to be reviewed with the authorizer and the courts. If it is financially viable, the conversion charter may consider providing additional, voluntary transportation to students as a service.

Can we give preferences to currently attending students? Can we give preference to neighborhood kids in the future?

An existing public school converting to a charter school shall adopt and maintain a policy giving admission preference to pupils who reside within the former attendance area of that public school. Additional preference for students currently attending the existing public school and those living within the boundaries of the school district where the school is located can also be given.

What is Proposition 39? What are the requirements and timelines?

Overview

Proposition 39 (Prop.39) was passed by California voters in 2000. The law ensures that public school facilities are "shared fairly among public school pupils, including those in charter schools" and requires districts to make "reasonably equivalent" facilities available to charter schools upon request.

In 2003, Prop. 39 imposed a mandatory duty on school districts to provide their charter school students facilities that are "reasonably equivalent" to those used by non-charter students within the district. The charter school facilities must be contiguous, similarly furnished and equipped to district schools and located near the area in which the charter wishes to locate.

Eligibility

In order to be eligible for facilities under Prop. 39, charter schools must provide "reasonable projections" of their average daily attendance (ADA) of at least 80 in-district students. In-district students are those students who could attend a district school if they had not chosen to enroll in the charter school.

Cost for Use of District Facilities

School districts are allowed to charge charter schools for use of district facilities under Prop. 39. There are two alternatives for the district to charge charter schools, annually, for the use of facilities: a pro rata share charge or an increased oversight fee.

Making a Request

The regulations implementing Prop. 39 set forth specific requirements for making a facilities request to a district. In addition to meeting the eligibility requirements, there are a variety of dates which must be met for a charter school to preserve its right to district facilities. **Operating schools and schools planning to open must submit facilities requests to their district by November 1st of the year before they wish to occupy the space.**

What does the district leave at the site on conversion?

These details are often spelled out in a facility MOU but generally speaking under Prop. 39 requirements, the district is obligated to furnish and equip the site to the same extent as other schools in the district. It is advisable that charter conversions submit a Prop. 39 request to the district.

What are the requirements for conversion?

Conversion charters have essentially the same legal requirements and processes as startup charter schools. They must submit a charter petition with a reasonably comprehensive description of the 16 charter petition elements, the required affirmations, and signatures. In addition, conversions must have signatures of at least 50% of the permanent status teachers employed at the existing public school.

What are the potential downsides of a conversion?

A lack of careful planning and a clear understanding of the rules and regulations pertaining to charter schools can result in school difficulties. There are two primary concerns expressed by conversion schools. One is the lack of district administrative support for many of the key services they provide such as testing, compliance requirements and fiscal services. Locally funded conversions often cite lack of fiscal control and programmatic decision making authority as the single most common concern. Without full autonomy, the conversion loses its independence and ability to make decisions based on needs of students.

How will the district feel about us converting?

Authorizer relationships will depend upon the unique situation of each district and each school. Many districts are excited about the possibilities for increased educational opportunities for their students and are highly supportive. It is up to the conversion team to work with district administration, the Board of Trustees and their County Office of Education staff and explain why charter conversion is the most appealing and viable option for ensuring increased academic achievement for all students.